

Investing Plan Run By HEW Employees

By Harold Harris

WASHINGTON—More than 100 employees of the Department of Health, Education and Welfare are participating in an investment plan which allows them to buy stock in two mutual funds.

Merger

Department policies may force postal

the UFPC took its action, the report to the delegates said: "We at merger with one or more other a greater possibility in the near any time in the past."

ember NPU and 165,000 Clerks a merger once before. The NPU tied a merger agreement by a 7-1 but UFPC members rebelled against and voted it down. The measure, two-thirds vote to pass, received of the vote.

ted from the UFPC, then known Federation of Post Office Clerks,

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The principal organizer of the investment plan is Preston Moser, treasurer of the employees association. He began to work out the idea in February of last year with his stock broker, Tom Roddy.

His first plan, Moser said, was to organize a mutual fund plan exclusively for HEW employees. This was abandoned because of the prohibitive legal fees.

The two then looked around for a well-known, "no-load" firm and finally settled in Loomis-Sayles.

Paul E. (Jay) Vawter Jr., an investment counselor in Loomis-Sayles' Washington office, helped Roddy and Moser set up the group accumulation plan. It met with the approval of HEW officials.

Loomis-Sayles waived several of its minimum investment requirements to boost the HEW plan. The action permitted employees to invest as little as \$25 at a time.

Since Loomis-Sayles funds are "no-load" funds, no sales commission is charged the employees for the purchases. Loomis-Sayles is paid an annual fee equal to about 0.5 per cent of net assets.

The plan is sponsored by the HEW Employees Association. Under the plan, the employees buy shares in the funds managed by Loomis-Sayles & Co., a Boston-based investment counselor.

Like all mutual funds, Loomis-Sayles sells shares to the public. The proceeds are then invested in a portfolio of bonds and stocks.

As the values of the stocks in the mutual fund portfolio rise and fall, values of the mutual fund shares also rise and fall.

One of the mutual funds offered the HEW employees is called Capital Development Funds. It seeks rapid capital gains by buying growth stocks. The other fund seeks to earn long term capital gains and provide steady income from high-grade bonds.

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Moser said most of the first participants in the plan are beginning on a quarterly basis. Monthly payments also are encouraged. There is no penalty for missing a payment.

The HEW employees will receive monthly statements showing how their shares are doing. Dividend distributions and capital gains also will show up on the statements. These will be automatically reinvested in additional fund shares.

A year-end statement will supply each employee with the necessary tax information on the plan.

Moser said the association sent about 15,000 announcements of the plan to HEW employees in the Washington area. He said the group is receiving a steady stream of requests for more detailed information.

"I think this plan is going to prove to be very popular and will be picked up by employees in other government agencies," Moser said. "Many federal workers are unaware of the advantages of stock investment as a protection against inflation."